

A row of stage spotlights at the top of the cover, casting beams of light downwards.

# AUDIENCE



MARKETING IN THE AGE OF  
SUBSCRIBERS, FANS & FOLLOWERS

JEFFREY K. ROHRS



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# **AUDIENCE**

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SUBSCRIBERS, FANS & FOLLOWERS**

**JEFFREY K. ROHRS**

**WILEY**



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*To the weird, wonderful, and loving audience that energizes  
me every single day, Jenny, Declan, & Bailey Kate.  
And to the entire ExactTarget family, may you always be  
Orange.*

*—j.k.r.*

# Foreword

I first met Jeff Rohrs back in 2004 when he was president of Optiem, a digital marketing agency in Cleveland, Ohio, and one of ExactTarget's first reseller partners. His keen eye for business trends, passion for digital marketing, and sense of humor made an immediate impression on me—and it wasn't long after that I found myself asking Jeff if he'd be interested in joining our team. In 2007 he made the leap, and both of us couldn't have been happier with the results.

As producer of our award-winning *SUBSCRIBERS, FANS & FOLLOWERS Research Series (SFF)*, Jeff was one of the first to highlight the fragmenting nature of consumer/brand relationships. Whereas many were taking a one-size-fits-all approach to their cross-channel marketing efforts, Jeff and his team were urging companies to better understand and meet the consumer expectations created by each channel. As the *SFF* research demonstrated, SUBSCRIBERS wanted different things than FANS and FOLLOWERS—and vice versa.

In early 2013, Jeff approached us with a new idea—one that seemed revolutionary at the time but has proven to be true: There's a hole in our marketing organizations. Advertising, brand, content marketing, demand generation, interactive marketing, product marketing, and sales all have leaders; but no one leader is responsible for building, engaging, and nurturing our proprietary audiences. Sure, there are great folks on the front lines of email, mobile, and social, each developing audiences specific to those channels. However, companies that don't have a singular voice to speak for the needs of proprietary audiences will be hard-pressed to deliver on the promise of today's convergent marketing technologies—true one-to-one relationships with consumers across all channels.

*AUDIENCE* is a wake-up call for every company today. Before you acquire a *customer* . . . before you can build a *relationship* . . . there must first be an *audience* for you to address. Your company may be content simply buying advertising to reach audiences, but Jeff and our entire team see a different future—one in which companies embrace an asset-based approach to marketing and work to constantly improve the size, engagement, and value of their own proprietary audiences. This is not an either/or proposition. Paid, owned, and earned media can and should work together to produce more revenue at lower cost wherever possible. And that's the simple, powerful message of *AUDIENCE*: It is within our ability *today* to leverage data, permission, and technology to better sell to *and serve* consumers across all channels and devices.

Frankly, I don't think there's a more important book that companies can read today. Jeff has laid the groundwork for the responsible, long-term, profitable development of proprietary audiences. The structure you choose to build upon that foundation is up to you. However, if you build wisely, you'll find yourself with a competitive advantage that will last for years to come.

**—Scott Dorsey (@[ScottDorsey](#))**

CEO and Cofounder  
ExactTarget, a [salesforce.com](#) company

# Introduction: Why AUDIENCE?

*It requires a very unusual mind to undertake the analysis of the obvious.*<sup>1</sup>

—Alfred North Whitehead

Welcome to the audience of *AUDIENCE*, the book! The moment you began flipping through these pages, you became a READER. I'm hoping you'll soon purchase a copy and graduate to my CUSTOMER audience.<sup>a</sup> And if the subject matter really strikes a chord with you, perhaps you'll become a website VISITOR ([www.AudiencePro.com](http://www.AudiencePro.com)), email SUBSCRIBER, or a FAN of the book on Facebook. Who knows, you may even become one of my FOLLOWERS on Twitter, LinkedIn, or Google+, where I ponder how to build and engage audiences while masking a lifetime of pain caused by rooting for the Cleveland Browns ([@Browns](https://twitter.com/Browns)).

Ultimately, the choice is yours because you—the consumer—determine whether or not to become a part of any audience. *You are not owned*. Your attention, action, and loyalty have to be *earned* by all those who want it.

That's how it works today. We *like*, *follow*, and *subscribe to* our favorite brands, companies, and people any time we want. We usually do so when it brings us joy, saves us money, or provides us with timely information. As consumers, we are in control. We decide which audiences to join, leave, or ignore altogether.

Unfortunately, not all businesses appreciate this dynamic. They operate under the false assumption that paid media still rules the roost and provides all of the audiences needed to fuel their business. That may have been the case at one point in time, but no longer. Consider that as you read this, there are the following phenomena:

- A cookie (the edible kind) with over 34 million FANS on Facebook
- A landscape designer with over 3.5 million Pinterest FOLLOWERS
- An actor with 13 times the Twitter FOLLOWERS of his TV show
- An oral care startup with 100 times more YouTube SUBSCRIBERS than competitors with over 100 times the revenue
- A local restaurant with over 20,000 email SUBSCRIBERS—over 500 of whom have restaurant-inspired tattoos

Each of these entities has a distinct advantage over their competitors who rely on driving business through paid media alone. With a push of the button, they can message their audiences directly in cost-effective ways that drive measurable sales, response, and engagement. In these pages, I'll share their stories and those of other brands that illustrate the simple fact that:

***Proprietary Audience Development is now a core marketing responsibility.***

If you embrace this responsibility, you'll be a part of the team that turns audiences into long-term, profitable assets for your company. However, if you neglect it, you will fall behind competitors with less dependency on paid media thanks to their development of audiences that they—and they alone—can access on demand.

The choice is obvious, but many companies will fail to embrace the tenets of this book because it requires a consistent, long-term effort. Marketing staff turnover, campaign-based mentalities, and siloed objectives all work to undermine your audience development efforts—and this will never change. It will always be far easier to call your media buyer, rattle off some target demographics, and rent audience attention than it will be to command your own.

But we know the truth. Always doing what's easy is a path to poverty, not prosperity. Just as consumer behaviors are changing thanks to mobile and social technologies, so too must our marketing organizations evolve to reflect our new realities. The time has come to stop treating proprietary audiences as afterthoughts and instead embrace them for what they are—a source of critical business energy in need of investment, leadership, and support.

*AUDIENCE* is as much a book for CEOs as it is for marketing professionals. Its lessons and advice are as relevant to small businesses as they are to Fortune 500 companies. You should feel free to read it from end to end or jump straight to the parts that interest you most. After all, you're the audience; you're in control.

In Part I, we'll explore *The Audience Imperative*. Through its mandate, I explain what proprietary audiences are, what they have to offer our companies, and why it is more important now than ever before for your company to build them.

In Part II, I provide a deep dive into the top *Audience Channels* for Proprietary Audience Development. My goal here is to help you understand how these channels might fit your strategic needs, and how to pursue additional resources to aid in your use of them.

In Part III, I present an *Audience Roadmap* that you can use to build, engage, and value your proprietary audiences in ways that will deliver measurable results. I conclude with thoughts on what marketers committed to *Proprietary Audience Development* can learn from 5,000 years of football (yes, football—trust me, you'll enjoy it).

One quick note—in the spirit of helping all of those whose stories, support, and encouragement have helped me make this book a reality, you will find that any mention of a specific individual or brand is accompanied by their Twitter handle (if they have one). I would encourage you to follow



the folks that interest or inspire you. I know they'll appreciate you joining their audiences as much as I appreciate that you've joined one of mine.

So welcome! Grab a seat, settle in, and let's learn how to build your proprietary audiences for the long haul.

<sup>a</sup> I use ALL CAPS throughout to refer to specific, proprietary audiences that are detailed in Chapters 3 and 4. My hope is that it will avoid confusion and help you refer back to key audiences of interest.

1. Alfred North Whitehead, *Science and the Modern World* (New York: Macmillan, 1925).

# **Part I**

## **The Audience Imperative**

Audiences are all around you. They are direct, responsive, and extremely cost-effective. They're also new, constantly evolving, and quick to anger if you cross them.

Your company needs audiences to survive. If you aren't building, engaging, and activating proprietary audiences of your own, you're falling behind.

It's high time you discovered why.

# Chapter 1

## Audiences as Assets: Think Like The Boss

*[T]he audience is not brought to you or given to you; it's something that you fight for. You can forget that, especially if you've had some success. Getting an audience is HARD. Sustaining an audience is HARD. It demands a consistency of thought, of purpose, and of action over a long period of time.*<sup>1</sup>

—Bruce Springsteen

Quick! What are the most important assets of your business today? Your brand? Intellectual property? Physical facilities? Inventory? Employees?

All of these are likely answers; however, there's one asset that is constantly missing when I ask companies this very question. Audiences.

Yes, audiences.

This answer tops your list if you're in the media, sports, or entertainment industries, because you're in the actual business of putting people in seats. You build audiences for a living and know the competitive advantage to be gained if your audience is bigger, better, and more energetic than the competition's. Media companies build READERS (print), LISTENERS (radio), and VIEWERS (television). Football teams feed off of FANS. And Lady Gaga . . . well, she loves her "Little Monsters."

Even lay consumers who aren't in media or entertainment inherently understand that each of these audiences has

monetary value. Loyal FANS pay cash for tickets to a live event, and a percentage of that money goes to the performers. The equation is simple: *bigger audiences = more revenue*.

You may think that this equation doesn't apply to you if you work outside of an audience-centric industry, but it does. Do you pay for advertising? Then audience matters. Do you have a website? Then audience matters. Do you want to grow your business? *Then audience matters*.

Audience is the bedrock upon which every business is built. After all, what were your customers *before* they were customers? They were members of some audience that was exposed to your products and services.

Not that long ago, companies were totally dependent on print, radio, and television gatekeepers to reach audiences. Today, however, every company can build its own global audiences via websites, mobile apps, email, Facebook, Twitter, YouTube, Instagram, and Pinterest (just to name a few). The rapid adoption of mobile devices and social media also gives those same audiences the ability to communicate right back to companies—often, in *very* public fashion.

Ahh . . . that sounds familiar. You've got "a young gal" who works on social media, "a guy" who is in charge of email—and you have some videos on YouTube. Your website "kind of" works on smartphones and you've got a LinkedIn profile for your company, so you must be building audiences correctly. Right?

Wrong. These are siloed tactics that produce siloed audiences. Moreover, they're often managed by people with conflicting objectives and few organizational incentives to collaborate. What I'm advocating—what this book is about—is the creation of an entirely new marketing discipline focused solely on *Proprietary Audience Development*. To fully appreciate the importance of this cause, we had better check in with *The Boss*.

# The Boss Is Worried

Bruce Springsteen ([@Springsteen](#)) is no stranger to proprietary audiences. With over 120 million albums sold worldwide and thousands of live concerts under his belt, he lives for them. And while you might think a veteran performer would be the last person to worry about finding an audience—you'd be wrong. After four decades as a performer, Bruce remains concerned about his ability to build and sustain an audience for his product (i.e., his music) in the Internet age. His quote at the beginning of this chapter sums the challenge up perfectly:

Getting an audience is HARD. Sustaining an audience is HARD. It demands a consistency of thought, of purpose, and of action over a long period of time.

If The Boss is worried about getting an audience, shouldn't you be worried? Shouldn't *your boss* be?

The question of where the next sale will come from has always dogged businesses. Indeed, the entire field of capital-M Marketing rose up to address such fears head on. Over the years, marketers have used a combination of creativity, messaging, and well-placed advertising to help their companies generate the vast majority of their sales—so much, in fact, that we completely lost any fear about on-demand audiences disappearing. After all, there were always print publications, radio stations, and television networks out there, all willing to put your product in front of an audience at a moment's notice in exchange for cold, hard advertising dollars.

And then, the Internet happened.

New, interactive channels fragmented consumer attention, toppled traditional information gatekeepers, and decimated the business models of traditional media. Consider that:

- From 2008 to 2012, daily newspaper circulation dropped 26.6 percent in the United Kingdom and 14.9 percent in the United States.<sup>2</sup>
- Twenty-nine percent of TV viewing is time-shifted thanks to DVRs, VOD, and Web-streaming platforms (and 41 percent of recorded shows go unwatched).<sup>3</sup>
- By 2020, the average consumer will own 50 Internet-enabled devices.<sup>4</sup>

In Bruce's industry, once all-powerful, taste-making radio stations now stand as homogeneous shells of corporate efficiency where fewer owners play fewer artists to fewer listeners. Record stores are on life support, sustained by a few die-hard music enthusiasts, vinyl addicts, and the resale market for CDs. As for the music-buying experience, it has shifted from tactile and personal to virtual and impulsive. Practically overnight, the biggest artists went from selling entire albums to pushing MP3 singles for 99 cents a pop.

This is why The Boss is worried. The Internet, mobility, and social media have drastically altered a formerly stable and profitable means of manufacture, distribution, and promotion. Traditional influencers who propelled his albums to platinum-level sales have lost power. And if Bruce can't find new, cost-effective ways to reach audiences, his records won't sell, his concerts won't sell out, and his cash register won't ring.

But we know this hasn't happened. The Boss is doing just fine. His 2012 album, *Wrecking Ball*, topped the charts—his tenth album to do so. He has amassed an incredibly loyal audience over the course of his 40 years in the music industry, and as times have changed, so have the ways they follow him. Instead of learning about his new album from a radio DJ, they hear about it directly from his website, email, or Twitter account. Or they hear about it from a new tastemaker—a blogger or fellow FAN on Facebook. Whatever the case, The Boss has retained his following because his

management understands the absolute necessity of *Proprietary Audience Development* over the long term.

# The Audience Imperative

*Proprietary Audience Development* is a comprehensive, collaborative, and cross-channel effort to build audiences *that your company alone can access*. This new marketing practice is built upon a mandate that I call *The Audience Imperative*:

---

***Use your Paid, Owned, and Earned Media not only to sell in the short term but also to increase the size, engagement, and value of your Proprietary Audiences over the long term.***

---

When you build bigger and better proprietary audiences than your competition, you gain a tremendous advantage in the marketplace. You're able to drive consumers to your doorstep with the push of a button—while your competitors are left fighting for better ad placements and bidding up keywords. Proprietary audiences allow you to:

1. Reach CUSTOMERS and PROSPECTS at a lower cost.
2. Drive sales in a more on-demand fashion.
3. Treat consumers as individuals instead of faceless masses.
4. Optimize your budget across Paid, Owned, and Earned Media.<sup>a</sup>

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Proprietary Audience Development ***is a comprehensive, collaborative, and cross-channel effort to build audiences that your company alone can access.***

---

While few could discount these tremendously beneficial outcomes, *Proprietary Audience Development* is a discipline without a champion in most companies today. In Chapters 3 and 4, we'll explore the different audiences in greater detail,

but for now, take a look at all of the potential proprietary audiences at your disposal:

<i>SEEKERS</i>	<i>AMPLIFIERS</i>	<i>JOINERS</i>
BROWSERS	ADVOCATES	CUSTOMERS
LISTENERS	ANALYSTS	DINERS
PROSPECTS	COMMENTERS	DONORS
READERS	CREATORS	EMPLOYEES
SEARCHERS	INFLUENCERS	FANS
SHOPPERS	REPORTERS	FOLLOWERS
VIEWERS	REVIEWERS	PARTNERS
VISITORS	SHARERS	SUBSCRIBERS

Now ask yourself this: Who manages the acquisition, development, and performance of these audiences in your company? Is it one person? Two? Five? Fifteen?

If your company is like most, your proprietary audiences lie strewn across a variety of different channels, databases, and teams—there’s no primary leader as with advertising, branding, and even content marketing. As a result, your efforts to drive audience engagement through your Paid, Owned, and Earned Media are neither as seamless nor as profitable as they might be. Your messaging is also probably far from optimized since your website, email, mobile, and social databases aren’t fully integrated with one another.

As if this weren’t bad enough, your company runs another huge risk absent a commitment to *Proprietary Audience Development*. Your audiences—critical business assets that they are—become subject to abuse at the hands of the loudest, most desperate executives, inexperienced newbies, and all manner of well-intentioned colleagues who seek to achieve their personal objectives regardless of the *unsubscribes*, *dislikes*, and *unfollows* they cause. This leads your company (often unknowingly) to sacrifice long-term audience profitability in service to short-term, ill-gotten gains.

This is not the fearmongering of a deranged marketer; it’s a story I’ve seen play out time and time again.



- The email marketing team directed by management to “blast” all of their SUBSCRIBERS (and sometimes even those who unsubscribed) regardless of the impact on opt-out rates and long-term email ROI
- The social media manager told to “sell, sell, sell” even though self-centered posts suppress FAN and FOLLOWER engagement
- The mobile app developer who fails to ask SUBSCRIBERS to opt-in to push messaging or email, thereby leaving their company without any means to trigger mobile app reengagement

Sound familiar? Want to help stop the madness and embrace *The Audience Imperative*? Then it’s time to help your company understand proprietary audiences as the incredibly valuable business assets they are.

## The Audience as Asset

Say it with me. Audiences are assets—*valuable business assets*. They may not be tangible assets, but with the right message to the right person at the right time, proprietary audiences can quickly turn into paying customers.

Of course, a company’s physical assets are more readily appreciated precisely because everyone in the organization can see them. We know the value of a piece of land because of what we paid for it or what the market will bear. We have the common sense to hire security to guard our physical facilities because the alternative is to let thieves or vandals disrupt our business. And we know to invest money in the maintenance of our physical facilities, because otherwise that small leak will become a far more costly problem overnight.

---

***Audiences are assets—valuable business assets.***

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Unfortunately, we lack the same organizational common sense when it comes to audience assets. Few executives fully appreciate the lifetime value of proprietary audiences and yet, as we'll see, many of them could be worth *millions of dollars in future revenue*. Does your company just let anyone walk around with access to accounts containing millions of dollars? Heck, no! We entrust such assets to people who are well trained, well screened, and well compensated. If your proprietary audiences possess such inherent value, shouldn't the people who are a push button away from your audiences be some of your brightest, most trusted, and most valued people?

This strikes me as common sense, but overall businesses fail to hold audience assets in the same regard as physical assets for a few reasons:

**1. *The whole concept of proprietary audiences is very new.*** Prior to the Internet, a proprietary audience was a direct mail database hidden in some huge, distant server. Today, proprietary audiences exist inside and outside of our databases as well as across a vast array of public and private channels.

**2. *We're focused on channel management instead of audience development.*** Many companies have Facebook, Twitter, and YouTube strategies, but few have comprehensive *Proprietary Audience Development* strategies. This leaves marketing pigeonholed into tactical discussions instead of debates about strategic priorities.

**3. *Channels are still evolving.*** The channels that support proprietary audiences haven't evolved to the point where they provide marketers with simple, consistent ROI measurements. This makes it difficult sometimes to provide leadership with more than anecdotal stories of positive audience engagement.

Today, your proprietary audiences aren't reviewed as part of your company's financial statements, but you need to begin preparing for the day when they will be. Indeed, I envision a future in which the people who manage a company's proprietary audiences command the same respect and scrutiny as the VP of Sales. They do, after all, manage assets (audiences) that account for a huge portion of your company's future sales if managed appropriately.

## **Netflix: When Audiences Are Your Most Important Assets**

For a glimpse at a future where corporate fortunes rise and fall on the size and quality of their proprietary audiences, look no further than Netflix ([@Netflix](#)). The company's ill-fated 2011 plan to split SUBSCRIBER accounts (one for streaming and one for DVD delivery) caused the loss of 800,000 SUBSCRIBERS in a single quarter. As a result, Netflix stock dropped from a high near \$300 per share to the \$60 range in a matter of months.<sup>5</sup>

Granted, Netflix is in the audience business. However, its plight—and subsequent recovery in terms of SUBSCRIBER count and stock price—underscores that when audiences are viewed as assets, their rise and fall can dramatically impact the fortunes of any company.

## **Proprietary vs. Owned**

You may have already noticed that I've been going out of my way to say "proprietary" instead of "owned" audiences. Audiences are *proprietary to* your company and not *owned by* your company because no audience is owned; members

can leave any time they want. Whether at a concert, using a mobile app, or subscribing to an email list, the audience member always has the option to leave the venue, delete your app, or unsubscribe from your email. The same rule holds painfully true for traditional media. If it didn't, we'd all still be reading printed copies of *Newsweek* ([@Newsweek](#)) while waiting to watch *Must See TV* Thursday nights on NBC ([@NBC](#)).

While not owned, audiences can be *proprietary* in that the right to communicate with them belongs to a single entity. To better understand this distinction, let's take a look at someone who's not quite as famous as Bruce Springsteen but commands a loyal FAN base today, Joel McHale ([@JoelMcHale](#)).

For those unfamiliar with Joel, he's a talented actor, comedian, and "Proud Mom" according to his Twitter profile. In reality, he's one of the hardest-working men in show business, with a starring role on NBC's *Community*, a long-standing role as host of *The Soup* on E! Entertainment Television, and a lucrative stand-up career built in part on making fun of Ryan Seacrest ([@RyanSeacrest](#)). Joel and each of his shows have an active presence on Twitter, and as I write this, their FOLLOWER counts stand at:

- 3,272,374 [@JoelMcHale](#)
- 241,996 [@TheSoup](#)
- 234,997 [@NBCCommunity](#)

---

***No audience is owned; members can leave at any time they want.***

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You read that right. Joel McHale has over 13 times more Twitter FOLLOWERS than each of his shows. In fact, as I write this, he also has over 11 times the Twitter audience of the NBC Network itself ([@NBC](#)—364,945 FOLLOWERS)! "Must See TV" has definitely seen better days.

But here's the twist: Not one of those FOLLOWERS is *owned* by Joel. He must work to retain their attention with each new tweet. Still, Joel's Twitter FOLLOWERS are his *proprietary audience* in that he is the only person that can message them in the aggregate. E! and NBC can't. They can message their own FOLLOWERS; but to reach Joel's, they must ask (or pay) him to message them.

As it turns out, Joel does encourage his Twitter FOLLOWERS to watch both of his shows. This is of tremendous benefit to NBC and E! as it extends their promotional efforts for zero cost. Similarly, Joel has to love it when NBC and E!'s main accounts ([@NBC](#) and [@Eonline](#), respectively) include his Twitter handle ([@JoelMcHale](#)) in their promotions. This helps him build his Twitter following—an asset that he will take with him long after he departs from *Community* and *The Soup*.

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### **Audience Exercise #1: Check Yourself**

If you want to understand audiences as assets, look no further than your own behavior.

Write down the brands you currently *like* on Facebook or *follow* on Twitter, LinkedIn, Pinterest, or elsewhere. Now check your personal inbox. What brands did you give permission to send email to you? Which ones do you still look forward to? If you have a smartphone, pick it up and browse your open apps. How many are provided by companies you do business with?

Now ask yourself this: Is your company doing all it can to build its proprietary audience across these channels?

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Twitter definitely provides Joel with his largest proprietary audience, but it's not the only one that he commands. He also has a website audience ([www.joelmchale.tv](http://www.joelmchale.tv)), a Facebook FAN audience ([www.facebook.com/joelmchale](http://www.facebook.com/joelmchale)), and a live audience of CUSTOMERS when he headlines as a stand-up comedian.

Does this sound familiar? It should, because aside from being an actor/comedian, Joel is really a business—a business seeking to increase the professional opportunities

and income for one Joel McHale. He does this when he can create *energy* in the form of buzz, interest, and ultimately sales around his projects. The same thing holds true for Bruce, and the same thing holds true for your company.

In fact, if you're in marketing in any capacity today, it's time to embrace the fact that you, my friend, are in the energy business.